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Expanding Access to Paid Sick Leave: The Impact of the Healthy Families Act on America's Workers

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Expanding Access to Paid Sick Leave:

The Impact of the Healthy Families Act on America's Workers

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U.S. Congress Joint Economic Committee

A Report by the Joint Economic Committee
Representative Carolyn B. Maloney, Chair
Senator Charles E. Schumer, Vice Chair

*The Joint Economic Committee, established under the
Employment Act of 1946, was created by Congress to
review economic conditions and to analyze the
effectiveness of economic policy.*

Executive Summary

Paid sick leave is a critical element of job security for American workers, yet forty percent of employees in the private sector today have no such leave.¹ For many workers, a day home sick – or day off of work to care for a sick child – means forgoing a paycheck. At a time when millions of families are living paycheck to paycheck, the lack of paid sick leave forces sick employees to go to work and sick children to attend classes. Going to work sick or “presenteeism” is a public health issue, with sick workers spreading contagious disease to fellow co-workers and customers. The reduced productivity of workers who come to work sick and spillover impacts on other employees is bad for businesses.² The provision of paid sick leave through the Healthy Families Act would dramatically expand access to paid sick leave, with salutary effects for society as a whole as well as the families for whom it would impact.

This report represents the first estimates of the impact of the Healthy Families Act (S. 1152 and H.R. 2460) on access to paid sick leave. The bill would guarantee that workers in the United States at firms that employ at least 15 employees accrue at least one hour of paid sick leave for every 30 hours worked.

Using a combination of published and unpublished data from the Bureau of Labor Statistics, the Joint Economic Committee estimates:

- As a result of the Healthy Families Act, at least 30.3 million additional workers would have access to paid sick leave.³
- The Healthy Families Act would significantly expand access to paid sick leave for many of America's most vulnerable workers, including lower-wage workers, women, and minorities.⁴
 - o Almost half of the increased access to paid sick leave (14.7 million additional workers) would accrue to workers in the bottom wage quartile.
 - o Nearly half (13.3 million workers) of the increased access to paid sick leave would accrue to women workers.
 - o Almost one-third of the increased access to paid sick leave would accrue to minority workers, including 3.9 million additional African-American workers and 5.6 million additional Latino workers.
- The Healthy Families Act would also significantly expand access to paid sick leave for workers in professions with critical public health implications. For instance, 5.9 million additional food service and preparation workers would have access to paid sick leave due to the Healthy Families Act.⁵

Introduction

Paid sick leave is a critical element of job security and quality for American workers, yet forty percent of private sector workers today have no such leave.⁶ Paid sick leave not only gives workers the opportunity to regain their health. Paid leave also allows employees to return to work fully productive, and helps stop the spread of disease to co-workers and customers. As a result, paid sick leave can reduce employers' overall costs while simultaneously contributing to the health of the nation. The United States is amongst only a handful of nations that has no legislation requiring paid sick leave for workers.⁷ Voters agree that paid sick days are a critical aspect of job quality. 86 percent of Americans favor a law that guarantees paid sick leave for all workers.⁸

The recession has hammered home the impossible choice a sick worker faces when forced to decide between a paycheck and his or her health. The weak labor market means that many families are living paycheck-to-paycheck, and simply cannot afford to forgo money or to put their job in jeopardy. Yet millions of workers are unable to miss work without forgoing a paycheck – or risking job loss. 17 percent of Americans report that they have lost a job or were told they would lose their job if they took time off due to personal or family illness.⁹

Evidence suggests that employers have been rolling back sick leave coverage in recent years, particularly for low-wage workers who are already struggling to make ends meet. In New York City, for instance, paid sick leave coverage for near-poor workers decreased from 56 percent in 2007 to just 33 percent in 2009.¹⁰ As a result, millions of employees go to work sick every day, exposing their colleagues and customers to illness and dragging down productivity. 68 percent of workers without paid sick leave have gone to work with symptoms of a contagious illness such as the flu, compared to 53 percent of those with paid sick leave.¹¹ A worker who goes to work sick rather than staying home and resting may end up even sicker, eventually leading to longer absenteeism from work.

The H1N1 outbreak in the spring of 2009 further highlighted the problem with the status quo of no federal policy around paid sick leave. The Centers for Disease Control and Prevention (CDC) recommended “social-distancing” as a strategy for prevention, asking workers with flu-like symptoms to remain home and away from others until 24 hours after all symptoms have resolved.¹² Yet millions of workers face economic hardship if they heed the CDC's advice, because remaining home means forgone wages. When Americans were asked about likely problems they would encounter with staying home for the standard course of the H1N1 virus, the most frequent answer (44 percent) was that they or a household member would “lose pay and have money problems,” and 25 percent reported that they would be likely to lose their job or business.¹³

To make matters worse, workers in occupations with critical public health implications have very low rates of access to paid leave. For instance, just 27 percent of food preparation and food

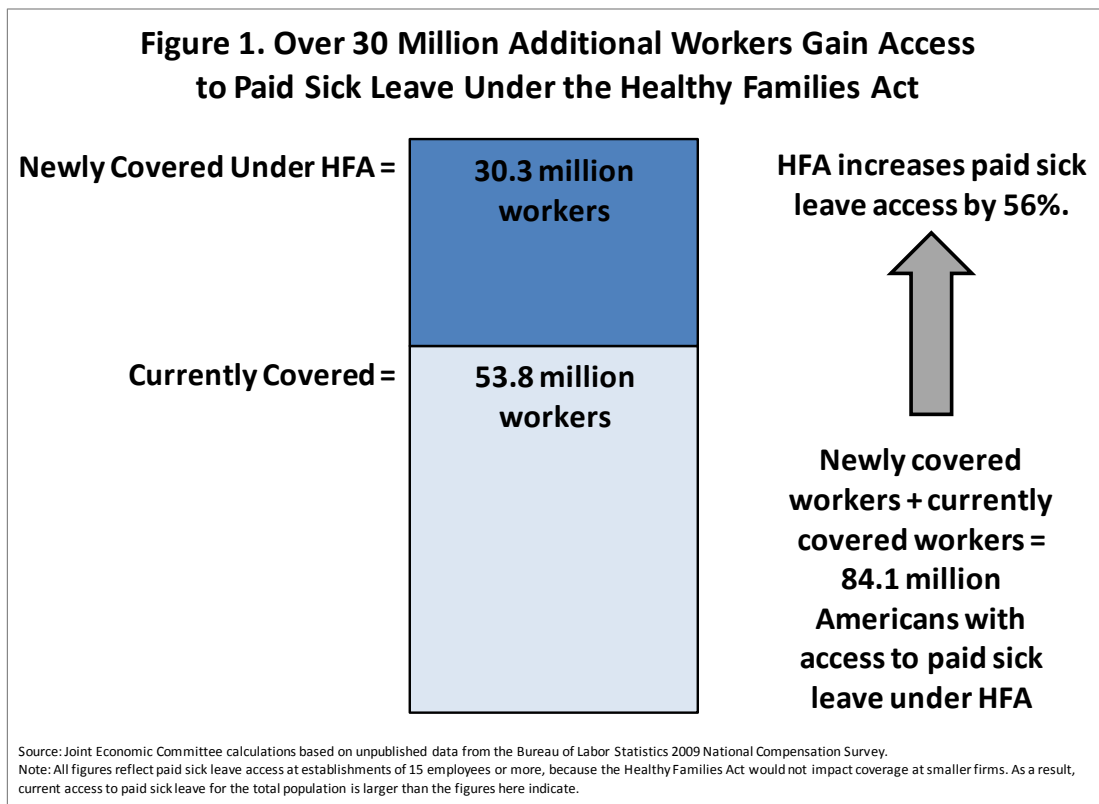
service workers have access to paid sick leave. Similarly, just 27 percent of child care workers have access to paid sick leave.¹⁴ These workers are amongst America's lowest-paid, with average annual wages of around \$20,000 – half the national average annual wage.¹⁵

The Healthy Families Act (S. 1152 and H.R. 2460) would have a substantial impact on job quality and job security for American workers. The Healthy Families Act would guarantee that workers in the United States at firms that employ at least 15 employees accrue at least one hour of paid sick leave for every 30 hours worked. As a result of this legislation, at least 30.3 million additional workers would have access to paid sick leave.¹⁶ The Healthy Families Act would significantly expand access to paid sick leave for many of America's most vulnerable workers, including lower-wage workers, women, and minorities. The Healthy Families Act would also significantly expand access to paid sick leave for workers in professions with critical public health implications, including food services.

The Healthy Families Act Expands Paid Sick Leave Access for Private Sector Workers

The Healthy Families Act would dramatically expand access to paid sick leave for private-sector workers. Currently, just 61 percent of the private-sector workforce (62.4 million workers) has access to paid sick leave. This means that nearly 40 million private-sector workers do not have access to paid sick leave today.¹⁷ 30.3 million additional workers would receive coverage under the Healthy Families Act, bringing coverage levels up to over 90 percent in the private-sector workforce.¹⁸

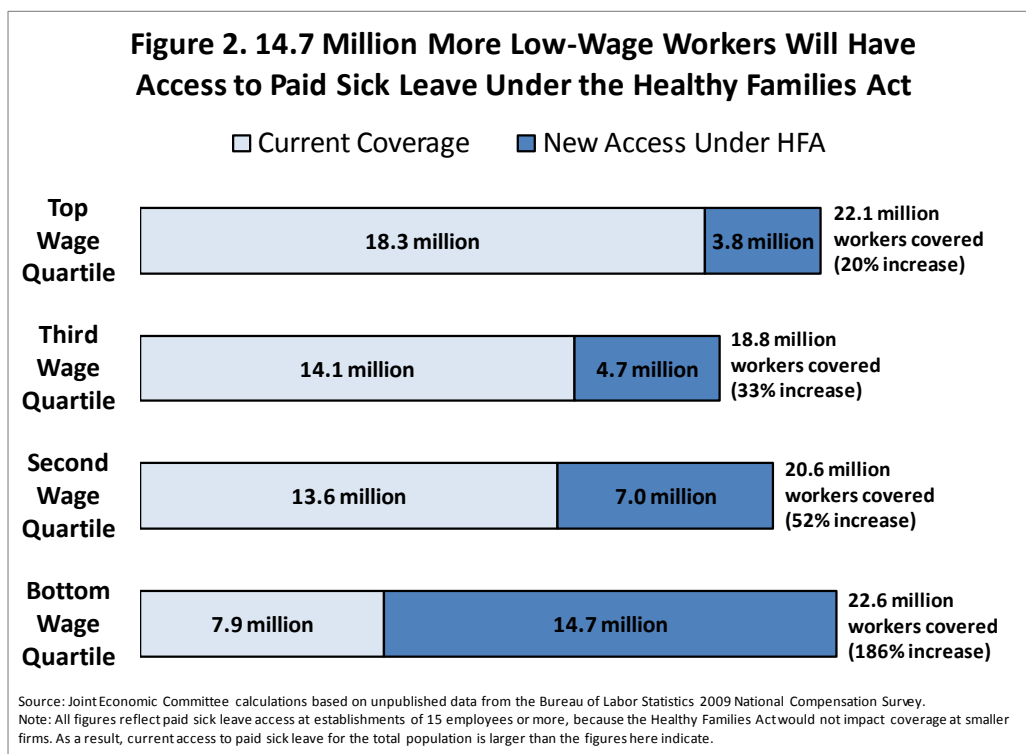
Specifically, the Healthy Families Act would increase access to paid sick leave for all workers in firms with 15 or more employees. Today, just 64 percent (53.8 million) of those workers have access to paid sick leave. The Healthy Families Act would guarantee that all workers in those firms had access to paid sick leave, adding coverage to 30.3 million new workers with the end result that all 84.1 million Americans in firms with more than 15 employees would have access to paid leave.¹⁹



The Healthy Families Act Expands Access to Paid Sick Days for Lower-Wage Workers

Low-wage workers are far less likely than higher-wage workers to have access to paid sick leave today. Only 33 percent of workers in the bottom quartile of the wage distribution currently have access to paid sick leave, compared to 81 percent of workers in the top quartile of the wage distribution.²⁰

Today, just 35 percent (7.9 million) of workers in the bottom quartile in firms with 15 or more employees have access to paid sick leave. By expanding coverage to workers in these firms, the Healthy Families Act would cover 14.7 million new workers in the bottom wage quartile and resulting in a total of 22.6 million lower-wage workers with access to paid leave. Nearly half (48.6 percent) of all workers with new access to paid sick leave under the Healthy Families Act would be amongst America's lowest-paid.²¹



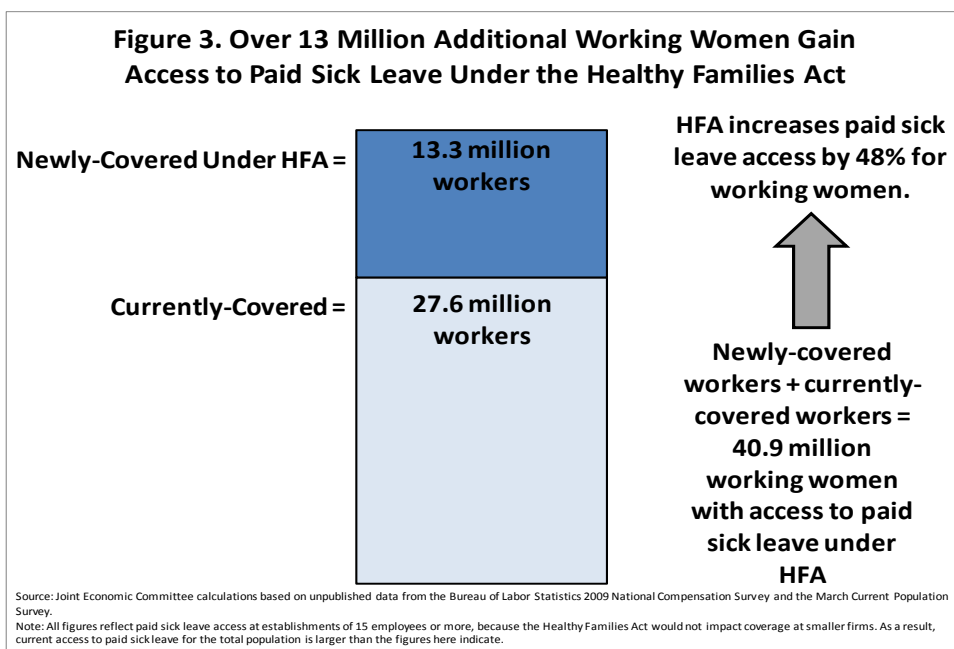
Millions of these low-wage workers are employed in occupations with high levels of interpersonal contact, including child care, food service, and home health care. As a result of their occupations, these workers are at high risk of spreading disease if they report to work sick. Yet these workers are also likely to incur a serious financial hardship if they stay home. In absence of paid sick leave, low-wage workers face a choice between a much-needed paycheck and the health of themselves and their children. Moreover, poverty strongly correlates with poor health in the United States.²² As a result, lower-wage workers may be at a greater risk of illness than higher-wage workers, making access to paid sick leave particularly important for precisely those workers with the lowest levels of current access.

The Healthy Families Act Expands Access to Paid Sick Days for Women

Because the economic hardship associated with a day of unpaid leave is particularly acute for women, access to paid sick leave is of particularly importance for this group of workers. This is especially true for female heads of household, who are solely responsible for their families' well-being. Largely because of their sole-earner status, female headed households are amongst the nation's poorest, with nearly 29 percent of female-headed households falling below the poverty level.²³

Two-thirds (64.3 percent) of mothers work outside the home, and women's earnings make up a substantial share of family income.²⁴ The typical working wife now brings home 42.2 percent of her family's earnings, which means that families are dependent on women's earnings for their financial well-being.²⁵ While women's work outside the home is of paramount importance, mothers still bear primary responsibility for a child's health.²⁶ 80 percent of mothers assume primary responsibility in the family for taking their children to doctor's appointments. Half of all working mothers must miss work if their child is sick, compared to 30 percent of working fathers. And half of all working mothers who do stay home with children when they are sick report that they do not get paid when they must do so.²⁷ Access to paid sick leave is thus of particular importance for working women because of the double burden they face – both self-care and care for an ill child.

Currently, more than a third (37 percent) of working women in establishments with more than 15 employees lacks access to paid sick leave. The Healthy Families Act would expand access to paid sick days to an additional 13.3 million female workers in these firms, raising the number of women with paid sick leave access to over 40.9 million. This represents a 48 percent increase in the share of working women with access to paid sick leave.²⁸

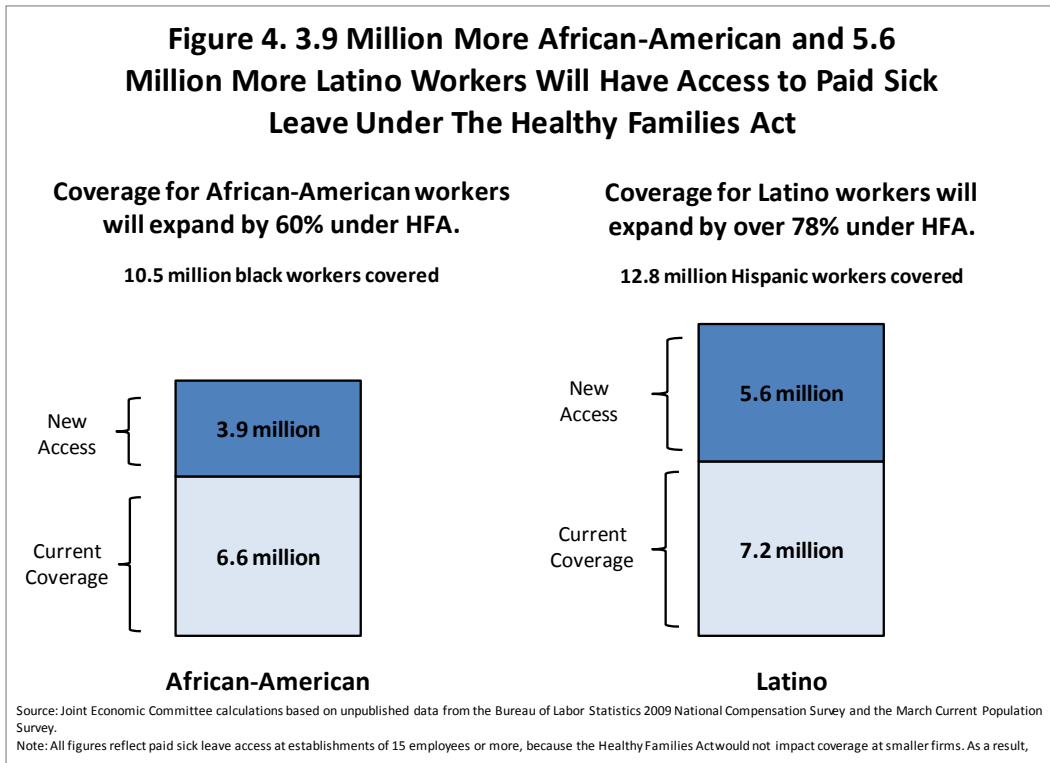


Prepared by the Majority Staff of the Joint Economic Committee

The Healthy Families Act Expands Access to Paid Sick Days for Minorities

Minority workers are amongst the nation's most economically vulnerable. 57 percent of working-poor families have at least one non-white parent.²⁹ Over a quarter of working-poor families (28 percent) have at least one Latino parent, and one-fifth include at least one African-American parent.³⁰ As a result, these workers are amongst those least able to give up a day's pay in exchange for a day home sick, or home with a sick child.

Yet African-American and Latino workers currently have limited access to paid sick leave. In establishments with 15 or more employees, nearly 40 percent of African-Americans have no paid sick days. Similarly, nearly half (49 percent) of all Latino employees in businesses with more than 15 employees have no access to paid sick leave. The Healthy Families Act would substantially expand access to paid sick leave for minority workers. Under the Act, paid sick leave for African-American workers in covered firms would expand by 60 percent, covering 3.9 million additional African-American workers and resulting in a total of at least 10.5 million African-American workers with paid sick leave coverage. Paid sick leave for Latino workers in covered firms would expand by 78 percent, covering an additional 5.6 million Latino workers and resulting in a total of at least 12.8 million Latino workers with paid sick leave coverage.³¹



The Healthy Families Act Expands Access to Paid Sick Days for Occupations with Key Public Health Implications

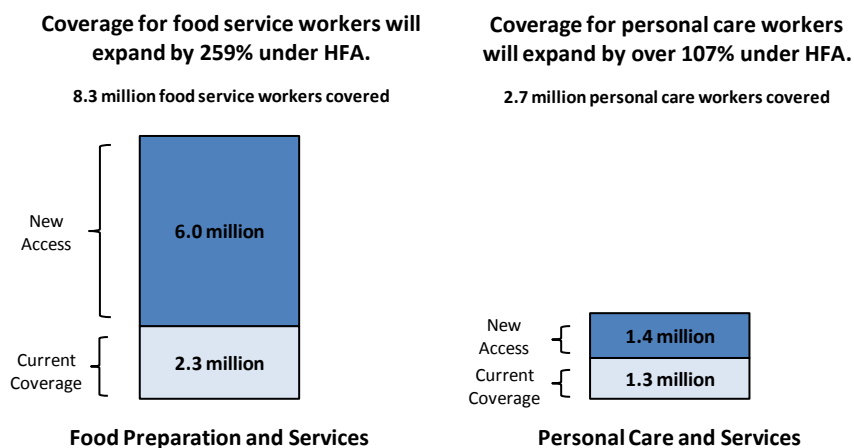
Many common infectious diseases are transmitted in workplaces, particularly in workplaces with high degrees of direct contact with the public. For instance, food service workers prepare food consumed directly by the public. Child care workers surrounded by young children and parents incur substantial interpersonal contact. Because of the enhanced danger of contagion for occupations such as these, it is critical that sick employees stay home rather than come to work ill.

Moreover, many of those workers in occupations with critical public health implications are amongst America's lowest-paid. Child care workers earn an average of \$20,350 annually, while food preparation workers typically earn an average of \$20,220 annually.³² These figures are less than half the national average annual wage for all occupations, \$42,270, which suggests that workers in these occupations are also amongst the nation's most economically vulnerable and therefore, amongst the least likely to be able to afford to forgo a day's pay in order to recover at home and avoid spreading infectious illnesses.

Despite the importance of access to paid leave for these critical occupations, food preparation workers and "personal care workers" are amongst the least likely to have such benefits today.³³ Just 28 percent of child care workers in establishments of 15 or more employees have access to paid sick leave today. 48 percent of personal care workers in such establishments have access to paid sick leave today.³⁴

The Healthy Families Act would substantially expand access to paid sick leave for workers in these occupations with critical public health implications. Under the Act, paid sick leave for food services workers in covered firms would expand by 259 percent, covering 6.0 million additional food service workers and resulting in a total of at least 8.2 million food service workers with paid sick leave coverage. Paid sick leave for personal care workers in covered firms would expand by 107 percent, covering an additional 1.4 million personal care workers and resulting in a total of at least 2.7 million personal care workers with paid sick leave coverage.³⁵

Figure 5. 6.0 Million More Food Service Workers and 1.4 Million More Personal Care Workers Will Have Access to Paid Sick Leave Under The Healthy Families Act



Source: Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics 2009 National Compensation Survey and the March Current Population Survey.

Note: All figures reflect paid sick leave access at establishments of 15 employees or more, because the Healthy Families Act would not impact coverage at smaller firms. As a result, current access to paid sick leave for the total population is larger than the figures here indicate.

Conclusion

American workers can ill-afford to choose between their health and a paycheck, particularly in today's economic climate. Yet the status quo requires the majority to do just that, as the lack of federal legislation mandating access to paid sick days means that millions of employees must forgo their earnings if they are to stay home to care for their own health or that of a sick child. The status quo represents not only poor public health policy, as workers sick on the job and children ill at school contribute to the spread of contagious disease. It's also poor economic policy, as sick workers create a drag on their own and co-workers' productivity.

The Healthy Families Act would insure that all workers in firms with 15 or more employees are able to earn paid sick leave, insuring a healthier and more productive America. As the analysis above has detailed, the impact of the Healthy Families Act would be substantial for all Americans, but it would be particularly beneficial for a number of especially vulnerable groups of workers. Lower-wage workers, who are more likely to be unable to weather the blow of a day without pay, would benefit from this legislation. Female workers, who are both more economically vulnerable than their average male counterparts and are more likely to be responsible for their family's health and well-being, would benefit. Minorities, who are more likely to be in lower-wage jobs and therefore less likely to be able to go a day without pay, benefit from this legislation. And occupations with critical public health implications – including the low-paid fields of food service and personal care workers – would benefit immensely.

Paid sick leave is a critical element for workers' economic security. The dramatic expansion of access to paid sick leave under the Healthy Families Act would play a critical role in ensuring that families maintain stable economic footing in unsteady times.

Endnotes

1. 66 percent of all civilian workers in the United States have access to paid sick leave, according to the Bureau of Labor Statistics. Bureau of Labor Statistics. 2009. "Employee Benefits in the United States, March 2009." Table 6. <http://www.bls.gov/news.release/pdf/ebs2.pdf>.
2. For example, see Goetzl, Ron Z., Long, Stacey R., Ozminkowski, Ronald J., Hawkins, Kevin, Wang, Shaohung, and Lynch, Wendy. 2004. "Health, Absence, Disability, and Presenteeism Cost Estimates of Certain Physical and Mental Health Conditions Affecting U.S. Employers." *Journal of Occupational and Environmental Medicine*. Lovell, Vicki. 2004. *No Time to Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave*. Washington, DC: Institute for Women's Policy Research. Available at <http://www.iwpr.org/pdf/B242.pdf>. Stewart, W., Matousek, D., and Verdon, C. 2003. *The American Productivity Audit and the Campaign for Work and Health*. The Center for Work and Health, Advance PCS.
3. This analysis focuses on the impact of the Healthy Families Act on the private-sector workforce only. Private-sector workers have lower levels of access to paid sick leave than do public sector workers. For example, according to the Bureau of Labor Statistics, 89 percent of state and local government workers have access to paid sick leave as compared to just 61 percent of the private-sector workforce. The Healthy Families Act would apply to both the public and private sector, therefore the Joint Economic Committee's estimates presented in the following analysis likely understate the full impact of the Healthy Families Act on access to paid sick leave. See Bureau of Labor Statistics. 2009. "Employee Benefits in the United States, March 2009." Table 6. <http://www.bls.gov/news.release/pdf/ebs2.pdf>.
4. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' 2009 National Compensation Survey and the March 2009 Current Population Survey. Methods available from the Joint Economic Committee upon request.
5. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' 2009 National Compensation Survey.
6. 66 percent of all civilian workers in the United States have access to paid sick leave, according to the Bureau of Labor Statistics. Bureau of Labor Statistics. 2009. "Employee Benefits in the United States, March 2009." Table 6. <http://www.bls.gov/news.release/pdf/ebs2.pdf>.
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9. Smith, Tom W. 2008. "Paid Sick Days: A Basic Labor Standard for the 21st Century." Chicago, IL: National Opinion Research Center. <http://www.norc.org/NR/rdonlyres/D1391669-A1EA-4CF4-9B36-5FB1C1B595AA/0/PaidSickDaysReport.pdf>.
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14. Unpublished data from the Bureau of Labor Statistics' National Compensation Survey, March 2009.
15. Bureau of Labor Statistics. 2008. "May 2008 National Occupational Employment and Wage Estimates." http://www.bls.gov/oes/2008/may/oes_nat.htm#b25-0000.
16. This analysis focuses on the impact of the Healthy Families Act on the private-sector workforce only. Private-sector workers have lower levels of access to paid sick leave than do public sector workers. For example, according to the Bureau of Labor Statistics, 89 percent of state and local government workers have access to paid sick leave as compared to just 61 percent of the private-sector workforce. The Healthy Families Act would apply to both the public and private sector, therefore the Joint Economic Committee's estimates presented in the following analysis likely understate the full impact of the Healthy Families Act on access to paid sick leave. See Bureau of Labor Statistics. 2009. "Employee Benefits in the United States, March 2009." Table 6. <http://www.bls.gov/news.release/pdf/ebs2.pdf>.
17. Current access figures are from unpublished data provided by the Bureau of Labor Statistics National Compensation Survey. These figures are likely to overstate current access to leave because many employers impose a job tenure requirement on workers prior to offering access to paid sick leave. As a result, the Joint Economic Committee's estimate of the impact of

the Healthy Families Act is conservative, because the analysis may over-estimate access in the absence of the legislation. Specifically, the Bureau of Labor Statistics' survey is unable to ascertain whether a given worker has met an employers' job tenure requirements, therefore many employers may actually overstate their workforce's access to paid sick leave. Prior research has demonstrated that correcting for workers' job tenure substantially lowers the share of Americans with access to paid sick days relative to the raw data presented by the Bureau of Labor Statistics. See Lovell, Vicky. 2004. "No Time To Be Sick: Why Everyone Suffers When Workers Don't Have Paid Sick Leave." Washington, DC: Institute for Women's Policy Research. <http://www.iwpr.org/pdf/B242.pdf>. Unfortunately, due to data restrictions, a similar correction to the Bureau of Labor Statistics most recent data is not possible. Thus the Joint Economic Committee estimates may overstate status-quo access to paid sick leave by relying on the uncorrected Bureau of Labor Statistics data.

18. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' National Compensation Survey.
19. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' National Compensation Survey.
20. Current access figures for the full population are from unpublished data from the Bureau of Labor Statistics' National Compensation Survey.
21. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' National Compensation Survey.
22. For a literature review on the relationship between poverty, inequality, and health outcomes, see, for example, Deaton, Angus and Christina Paxson. 2001. "Mortality, Education, Income and Inequality Amongst American Cohorts." In Wise, David, ed. *Themes in the Economics of Aging*. Chicago: University of Chicago Press. <http://www.nber.org/papers/w7140>.
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31. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' 2009 National Compensation Survey and the March 2009 Current Population Survey. Methods available from the Joint Economic Committee upon request.
32. Bureau of Labor Statistics. 2008. "May 2008 National Occupational Employment and Wage Estimates." http://www.bls.gov/oes/2008/may/oes_nat.htm#b25-0000.
33. "Personal care workers" is category provided by the Bureau of Labor Statistics that includes child care and home health workers, and perhaps many others with direct contact with the public – including children, the elderly, the infirm, and others with heightened vulnerability to contagious disease.
34. Current access figures for the full population are from unpublished data from the Bureau of Labor Statistics' National Compensation Survey.
35. Joint Economic Committee calculations based on unpublished data from the Bureau of Labor Statistics' 2009 National Compensation Survey.